

EXHIBIT G

#5911

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION 2005 Folio No. 841
COMMERCIAL COURT

Court No 65
Royal Courts of Justice
The Strand
London WC2 A2U

Before:
MR JUSTICE WALKER

BETWEEN:

HSBC BANK PLC

Claimant

-and-

(1) 5TH AVENUE PARTNERS LIMITED AND OTHERS

Defendant

AND BETWEEN:

(1) MR KEVIN SO
(2) MS YAN LUCY LU
(3) MR CHARLES MARTIN EDWARDS
(4) MR ROBERT WILLIAM MANN

Part 20 Claimants

-and-

(1) 5TH AVENUE PARTNERS LIMITED
(2) MICHAEL ROBERT ALEXANDER BROWN
(3) HSBC BANK PLC
(4) EMULEX CONSULTORES E SERVICOS LDA

Part 20 Defendants

EMULEX CONSULTORES E SERVICOS LDA

Part 20 Claimant

-and-

(1) MICHAEL ROBERT ALEXANDER BROWN
(2) 5TH AVENUE PARTNERS LIMITED
(3) KEVIN SO
(4) YAN LUCY LU
(5) CHARLES MARTIN EDWARDS
(6) HSBC BANK PLC

MR E MCQUATER QC and MS HUTTON (instructed by Allen & Overy LLP) appeared on behalf of the Claimant.

MR N VINEALL QC and MR J BOWLING (instructed by Bivonas Solicitors) appeared on behalf of the 10th 11th and 13th Defendants.

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1 Q. Do you think that she messed this up?
 2 A. You asked me the questions earlier on. I can't see
 3 the relationship between the questions you asked me
 4 early on and this messy question.
 5 Q. Well, do you now think she made a really serious mistake
 6 or mistakes in the way she handled this transaction?
 7 A. I am not clear about what Lucy has done.
 8 Q. Is that why your family is now refusing to recognise
 9 that Ms Lu's family has an interest in Arche? Because
 10 you and your family consider that Ms Lu made a very
 11 serious error in getting you into this transaction?
 12 A. What do you mean?
 13 Q. I think you understand the question. Shall I repeat it
 14 for you? You've told us before that your family is now
 15 refusing to recognise that Ms Lu's family has
 16 an interest in Arche. Is that because you and your
 17 family now consider that Ms Lu made a very serious error
 18 in getting you into this transaction?
 19 A. Lucy introduced this transaction to me, the funds was
 20 deposited with HSBC. At present, the principal has been
 21 lost to our family -- sorry, to my family. This is not
 22 acceptable. As I said before -- I already said before,
 23 my major concern is now approach HSBC and ask them where
 24 is my principal now.
 25 Q. Your principal has in part been lost, Mr So.

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1 THE INTERPRETER: I beg your pardon, sir?
 2 MR McQUATER: Your principal has in part been lost. And
 3 that is in large part, Ms Lu's fault, isn't it?
 4 THE INTERPRETER: Excuse me, sir. I am trying to rephrase
 5 your question. Could you please repeat your question?
 6 MR McQUATER: Yes. I said your principal has in part been
 7 lost and that is in large part Ms Lu's fault. That is
 8 right, isn't it?
 9 A. Lucy is an information provider. But the major reason
 10 for me to have confidence on this kind of investment
 11 is --
 12 THE INTERPRETER: I will just clarify about whether "is" or
 13 "was", because in Chinese, your Lordship, we don't say
 14 "was" or "is". I just want to clarify that for
 15 the accuracy of the translation.
 16 A. "Was". The main reason for my confidence on this
 17 investment was the money was with HSBC.
 18 MR McQUATER: You say Lucy is an information provider. Who
 19 was taking the judgments and making the decisions in
 20 relation to this transaction then?
 21 A. The decision has been made -- all decisions has been
 22 made because the funds was with HSBC.
 23 Q. I wasn't asking you why any decision was made. I was
 24 asking you who was making the decisions about this
 25 transaction.

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1 THE INTERPRETER: I just want Mr So to clearly speaking up.
 2 A. I already introduced the process of this event. I don't
 3 know how to define this.
 4 MR McQUATER: Well, it is a simple matter, Mr So, and it is
 5 an important matter. I want to know who was making
 6 the decisions about this \$30 million investment?
 7 A. I already introduced the whole process to you; during
 8 the process, what Lucy has done, what I have done, and
 9 the funds was transferred to HSBC.
 10 Q. Which individual or individuals were making
 11 the decisions in relation to this investment, Mr So?
 12 A. I already introduced the process. I do not know how to
 13 give you a definition.
 14 Q. Were you making the decisions?
 15 A. Since yesterday at this court and through the documents
 16 as well, I already introduced the process.
 17 Q. Let's look at another email, please; 253. In this
 18 email -- it is an email dated 11th February, Mr So. It
 19 has at some stage been forwarded to someone called
 20 Hank Young; is that Ms Lu's husband?
 21 A. I am not clear.
 22 Q. I see. Well, the email itself is an email from
 23 Keith Millar to Ms Lu on 11th February 2005. It is
 24 headed "Trading \$30 million in HSBC Hong Kong". Now, to
 25 try and save some time, Mr So, I should explain that in

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1 this email it seems that Mr Millar is trying to persuade
 2 Ms Lu that the funds should be moved to London. I want
 3 to ask you about some things in the penultimate
 4 paragraph.
 5 THE INTERPRETER: Sorry, which paragraph did you say?
 6 MR McQUATER: It is actually the third paragraph of
 7 the email. It starts "I managed to persuade three
 8 clients ..."
 9 THE INTERPRETER: Okay.
 10 MR McQUATER: Mr Millar says this to Ms Lu:
 11 "I managed to persuade three clients who each had
 12 funds in the range of \$10 million to \$50 million, all of
 13 whom initially did not wish to move their funds, to fly
 14 to London earlier this week to meet with the principal
 15 of another trade group with whom we deal. They met
 16 the principal, the commitment holder, the trader and
 17 were shown trading screens in the bank, had all their
 18 questions answered, and immediately agreed to move their
 19 funds across to own and name non-depletion accounts in
 20 this bank. They start trading on Monday, February 14th.
 21 Once clients see what we can do is real, they quickly
 22 change their minds. Please be patient, we will be able
 23 to get you into a very good trade in the near future.
 24 In the meantime, if you are prepared to reconsider
 25 moving your funds, we can do something for you

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14 (Pages 53 to 56)

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